DIVERSIFIED INVESTMENT ADVISORS

Diversified Investment Advisors' Report On Retirement Plans

Efficient Administration: Achieving Winning Results

Administration   Communication   Costs   Staffing   Plan Types

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About The Survey

We are proud to introduce *Diversified Investment Advisors' Report On Retirement Plans.* This document contains data based on the 2003 plan year and focuses specifically on the Defined Contribution and Defined Benefit plans of U.S. companies with 1,000 employees or more. The population of respondents includes both privately-owned and publicly-traded businesses. This report highlights the type of plans offered, plan administration considerations, staffing levels, and costs.

A total of 206 individuals responsible for the administration of retirement benefits in their firm completed the survey in early 2004. The nation-wide sample includes 122 publicly-traded and 84 privately-owned firms. Of these companies, 192 offer a Defined Contribution plan (most commonly a 401(k) plan) and 132 offer a Defined Benefit plan. The purpose of the survey is to provide information that will help large corporate employers benchmark practices in the critical area of plan management and plan communication. The report provides a snapshot of key characteristics of the retirement plans offered, identifies noteworthy trends that affect the retirement programs of large corporate employers, and helps these employers evaluate specific opportunities to improve retirement plan administration.

About Diversified Investment Advisors

Diversified Investment Advisors is solely dedicated to the retirement plans business. Diversified has been serving retirement plans for over 50 years and is a leading provider of retirement plan services to the corporate world, managing more than $58 billion for over 1,600 employers—helping more than 1,200,000 plan participants to save and invest wisely for retirement. The company's expertise covers the entire spectrum of Defined Contribution and Defined Benefit plans, including: 401(k); profit-sharing; money purchase; non-qualified deferred compensation; cash balance; pension equity plans; and traditional Defined Benefit plans. Headquartered in Purchase, New York, the company has over 950 employees. Regional offices are located in California, Georgia, Illinois, Iowa, Louisiana, Maryland, Massachusetts, Michigan, New York, North Carolina, Ohio, Oregon, Pennsylvania, Texas, and Wisconsin.

Regardless of the type of firm or retirement plan, plan sponsors today frequently do not optimize the services available from plan providers. Although plans sponsors have begun to optimize their resources by bundling their various retirement programs with one provider (allowing them to reduce their full-time employee efforts), this report purports that they have yet to fully explore a wholly optimized approach, particularly when it comes to the administration of their Defined Benefit programs. The plan sponsor's in-house staff, particularly the human resources department, continues to spend a substantial amount of time administering the retirement plan in both the DB and DC environments.

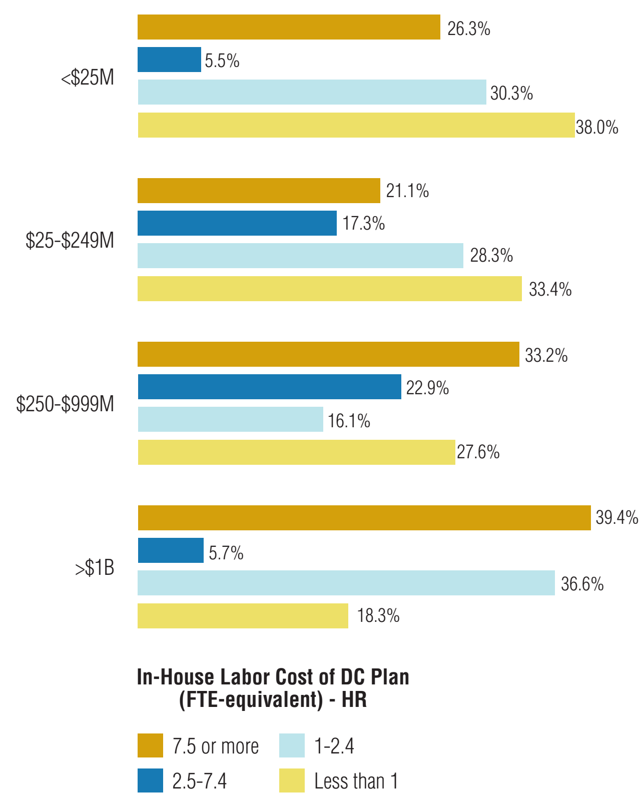
Defined Contribution Plans

The staff resources dedicated to the administration of Defined Contribution plans, predominantly 401(k) plans, increase as the plan assets grow. The survey found that 38% of employers with Defined Contribution plan assets under $25 million dedicate less than one full-time human resources employee equivalent to this function. However, 39% of employers with DC plan assets exceeding $1 billion say their HR staff spends 7.5 or more full-time employee equivalents administering the plan. As employer size increases, so do the number of locations where the employer maintains a local HR department and the need for retirement plan support at each location.

While the survey revealed that employers rely on the plan provider to perform many functions, it also showed that employers want to retain primary responsibility for these functions. The HR staff at each location often has primary responsibility for some employee communication and education functions, such as new employee orientation, (45% of respondents) while the corporate HR department often retains the primary responsibility for plan administration functions, such as determining eligibility (59%) and approving hardship withdrawals (51%). Optimizing the services available from the 401(k) provider in these areas would help reduce the strain on internal human resources departments.

Both Defined Benefit and Defined Contribution plan sponsors should consider investigating and taking advantage of the education, communication, and administrative services available to them through their plan provider. Doing so can help optimize plan administration effectiveness and keep costs down.

Pressure on HR Staff Grows with 401(k) Plan Size



Defined Benefit Plans

Defined Benefit plan sponsors were hard hit by three consecutive years of significant declines in the equities market from 2000 to 2002. Declining investment returns created underfunding situations and forced plan sponsors to make substantial, unbudgeted plan contributions in 2003. The higher hard dollar employer administration costs of these plans in 2003 (in comparison with Defined Contribution plans), include fees for a greater number of vendors. Defined Benefit plan sponsors frequently hire specialized vendors, in addition to investment managers, to handle functions such as actuarial services, investment manager monitoring, asset-liability modeling, benefit payment services and employee communication and education.

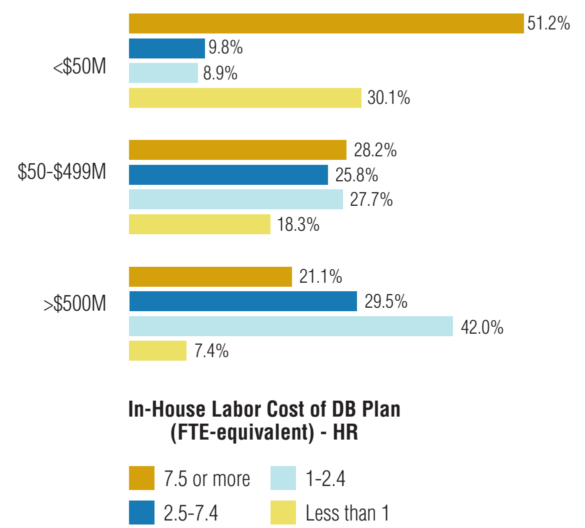
Along with being impacted by an underperforming equity market and high built-in hard dollar costs, Defined Benefit plans also tend to be underappreciated. Employee awareness of the features and value of DB plans is not usually commensurate with the true worth of these plans.

In 2003, Defined Benefit plans placed an unusually high level of strain on human resources departments. While this situation is likely temporary, the effort probably exceeded capacity in many companies, driving the increased reliance on providers and the trend toward bundled Defined Benefit plan services observed in other studies. In fact, functions for which the HR department assumes ultimate responsibility in many firms are actually performed by the plan provider. Functions like answering participant questions are more easily performed by the plan provider, yet the plan sponsor may want control or at least seek a high level of involvement. While it's wise and admirable for corporate employers to want to assure that retirees and active employees receive excellent service, companies should be wary of overburdening HR staff with tasks more effectively performed by a specialized retirement plan provider.

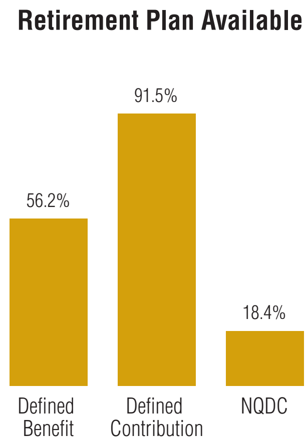
These factors are spurring more large plan sponsors to re-examine how they manage, administer, and promote their plans. Many companies now realize that the means to delivering truly cost-effective, competitive plans are within reach but they have not optimized their effectiveness. While DB plan sponsors cite high quality service and funding status as the top issues with their retirement plans, they give nearly equal weight to the cost of maintaining the plan.

The amount of time human resources staff spends supporting the Defined Benefit plan varies dramatically by plan size, but not necessarily as one might expect. A majority of DB plan sponsors say the HR staff spent 7.5 full-time employee equivalents or more on plan administration in 2003. While this situation may be temporary, many companies handle time-consuming functions such as answering retiree questions in-house. Paradoxically, smaller Defined Benefit plan sponsors are also the ones least likely to find that their plan has a major impact on employee retention. Should staffing requirements continue in 2004 and beyond, small DB plan sponsors would be at a serious competitive disadvantage. Finding a solution that helps shift in-house staff resources to more effective use is a priority. Many employers accomplish this by bundling Defined Benefit plan administration, investment services, and/or actuarial services with a single vendor, often the same vendor that handles the company's 401(k) plan.

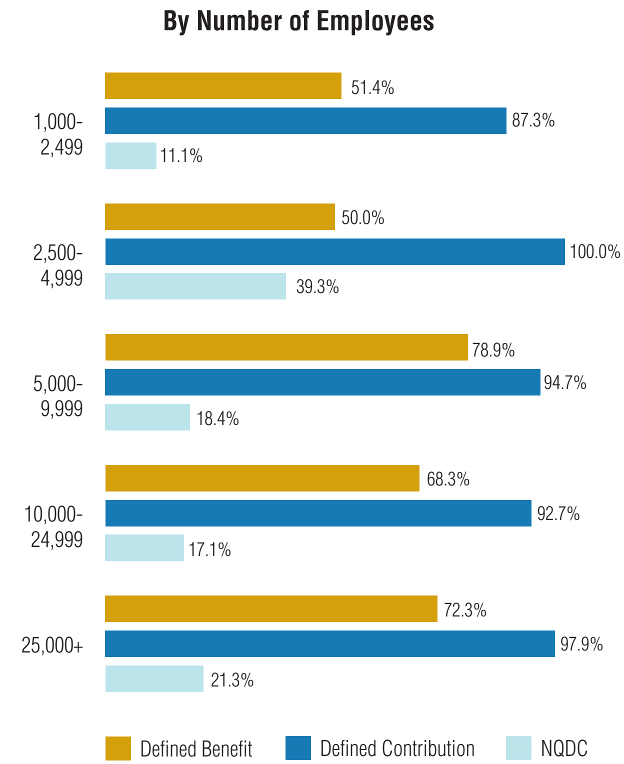
High Pressure on HR Staff Among DB Plan Sponsors with Assets Under $50 Million



Retirement Plans Offered in US Corporate Market

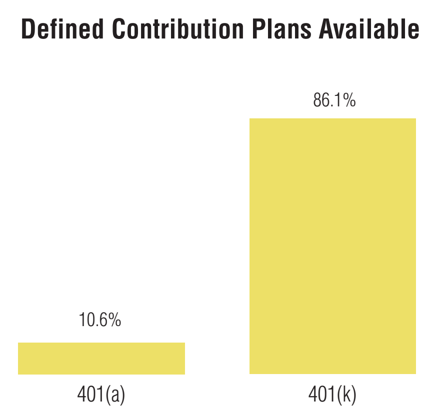


Regardless of the number of employees, close to 90% or more of the firms surveyed offer a Defined Contribution plan to their employees. Defined Benefit plans are offered at about one-half of the surveyed companies that have fewer than 5,000 employees. On the other hand, more than seven in ten companies with 5,000 or more employees offer Defined Benefit plans. Nearly four out of ten companies with 2,500 to 4,999 employees provide a Non-Qualified Deferred Compensation plan with other size companies much less likely to provide similar plans.



Types of Defined Contribution Plans Offered

Of those employers offering Defined Contribution plans, a large majority (86%) offer 401(k) plans, as would be expected. Few employers (11%) offer 401(a) plans. Offering a 401(a) plan is much more prevalent at companies with 25,000 employees or more. In fact, a 25,000+ employee company is more than three times more likely to offer a 401(a) plan than a company with 1,000 to 2,499 employees. Almost without exception, the surveyed companies

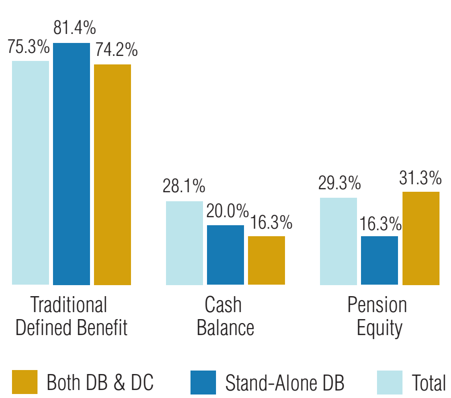


with 10,000 to 24,999 employees provide their employees with a 401(k) plan.

Types of Defined Benefit Plans Offered

Most companies (75%) that provide a Defined Benefit plan offer a traditional plan. A significant minority of companies that offer DB plans offer a cash-balance plan (20%) and slightly fewer firms (16%) provide a pension equity plan.

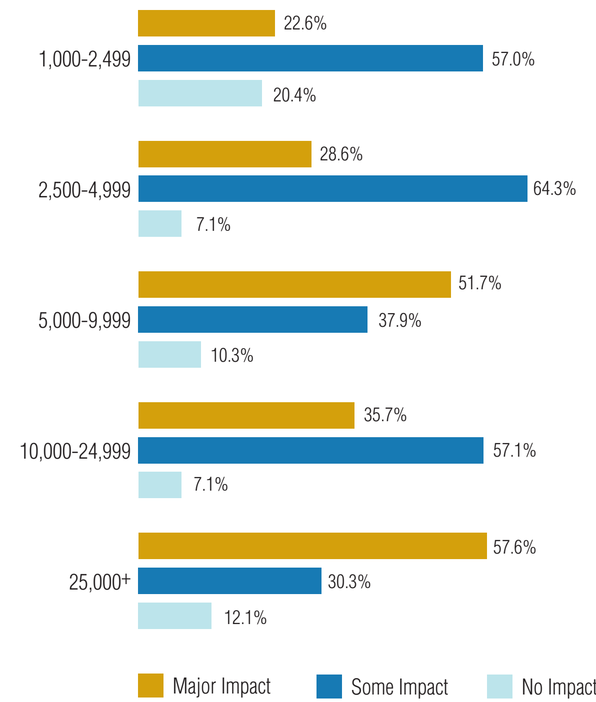
Defined Benefit Plans Available



Defined Benefit Plan Impact on Employee Retention

More than 84% of Defined Benefit plan sponsors believe that their plan has some impact on employee retention, but only 31% say that impact is major. Large employers are more likely to say their plan has a major impact on employee retention. For example, 58% of plan sponsors with 25,000 employees or more believe that their DB plan has a major impact compared to 23% at companies with 1,000 to 2,499 employees. This is an important finding in the current context, because Defined Benefit plans have been unusually costly to operate in the last few years. The disconnect between cost and result in 2003 was particularly salient among the smaller plans, some of which may be frozen and therefore not appreciated for their full value. However, the findings may be a realistic assessment across plan size, since employers typically do not highly promote the value of the Defined Benefit plan to employees and, in general, employees don't fully understand or appreciate Defined Benefit plans.

The Impact of DB Plans on Employee Retention



Number of US Locations

The geographic dispersion of their workforce is one important characteristic of large corporations that has a major impact on the administration of the benefits program, and, in particular, retirement plans. For employers with 5,000 or more employees, the number of dispersed locations is a major factor. In the 5,000-9,999 employee size group 50% of companies have more than 20 locations with more than 100 employees each, in the 10,000-24,999 group 55% have more than 20 locations, and in the 25,000+ size group 68% have more than 20 locations. As employee size group increases, so does the number of facilities with at least one HR representative on location. The survey found that 42% of plan sponsors with 10,000-24,999 employees have more than 25 locations with at least one HR representative on location. This percent increases to nearly 47% for companies with 25,000 or more employees.

		Employee Size Group				
Number of locations	**Total**	**1,000-2,499**	**2,500-4,999**	**5,000-9,999**	**10,000-24,999**	**25,000+**
1-5	52.1	66.2	53.5	15.8	12.5	9.2
6-10	19.8	20.8	21.4	21.1	12.5	6.8
11-20	11.3	7.3	17.9	13.2	20.0	15.9
More than 20	16.0	6.6	7.2	50.0	55.0	68.2

Plan Assets

By Company Size

As expected, Defined Contribution plan asset size tends to increase with the number of employees. More than 50% of plans with 25,000 or more employees have $1 billion or more in Defined Contribution plan assets while less than 12% of the plans in companies with 10,000 to 24,999 have total assets of $1 billion or more. Companies with 1,000 to 2,499 employees are more likely to have plan assets of less than $25 million than do plans at larger companies. Nearly three out of four (74%) of retirement plans at companies with 10,000 to 24,999 employees have $100 million or more in DC plan assets.

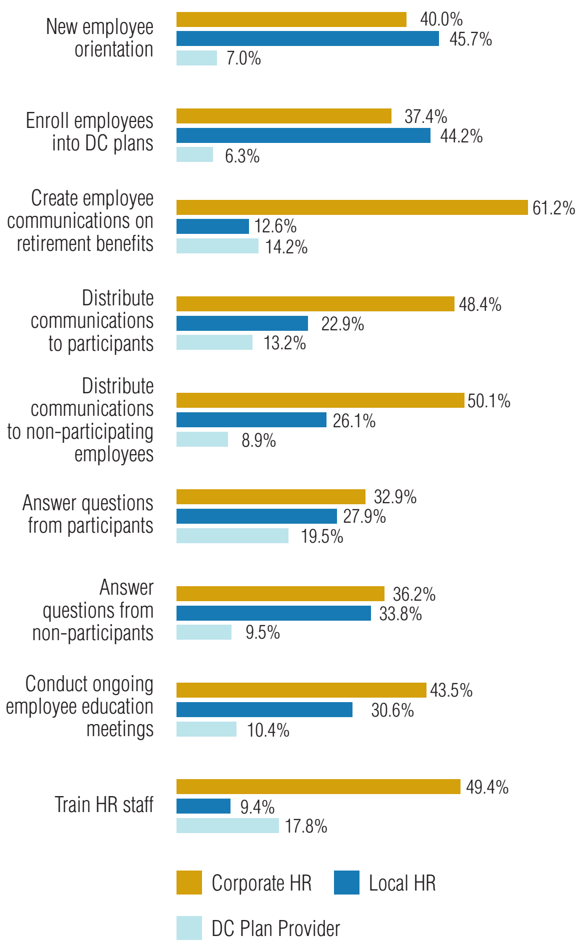
Stand-alone DC Plans versus Combination DC/DB Plans

Employers that offer only Defined Contribution plans are nearly three times more likely than employers who offer both Defined Contribution and Defined Benefit plans to have less than $25 million in Defined Contribution plan assets (37% versus 10%). However, 22% of employers with both a DC and a DB plan have $250 to $499 million in DC plan assets. And while practically no firms with only a DC plan (2%) have assets in their plan totaling $1 billion or more, 13% of companies with both plan types have at least $1 billion in Defined Contribution plan assets.

		Employers Offering	
DC Plan Assets	**Total**	**Stand-Alone DC Plan**	**Both DC & DB Plans**
Less than $25 million	23.0%	37.3%	10.4%
$25 - $49 million	14.6	15.0	14.2
$50 - $99 million	9.5	10.4	8.6
$100 - $249 million	17.4	15.6	19.0
$250 - $499 million	16.5	10.6	21.6
$500 - $999 million	11.2	9.3	12.9
$1 billion or more	8.0	1.8	13.4

		Employee Size Group				
Defined Contribution Plan Assets	**Total**	**1,000-2,499**	**2,500-4,999**	**5,000-9,999**	**10,000-24,999**	**25,000+**
Less than $25 million	23.0%	31.8%	10.7%	19.4%	14.3%	4.4%
$25 - $49 million	14.6	13.3	21.4	16.7	8.6	2.2
$50 - $99 million	9.5	10.6	10.7	8.3	2.9	2.2
$100 - $249 million	17.4	16.6	17.9	25.0	20.0	6.7
$250 - $499 million	16.5	16.6	17.9	11.1	20.0	17.8
$500 - $999 million	11.2	8.6	14.3	11.1	22.9	13.3
$1 billion or more	8.0	2.6	7.1	8.3	11.4	53.3

Primary Responsibility for Employee Communication and Education Functions



Privately-held versus Publicly-traded Companies

Also resulting from the size bias, privately-owned companies tend to have fewer DC plan assets than publicly-held companies. About 29% of private companies have plans with less than $25 million in DC assets while only 16% of the plans at public companies do not surpass $25 million in assets. Many more public firms (14%) than private firms (3%) have DC plan assets of $1 billion or more.

Communication and Education

Responsibility

In the vast majority of cases, employee communication and education functions are performed by the Defined Contribution plan provider, not the plan sponsor. But the survey finds that employers want to maintain primary responsibility.

Survey responses indicate that the primary responsibility for these functions at Defined Contribution plan sponsors resides with either the corporate or local human resources departments (primarily the corporate department). The role of the corporate human resources department is most predominant when it comes to creating employee communications on retirement benefits (61%); distributing communications to non-participating employees (50%); and distributing communications to participants (48%). There is a perception that the primary responsibility for these functions rests with corporate and local human resources departments, even in situations where the DC plan provider is involved. The numbers suggest that employers can better optimize the role of the DC plan provider in employee communications and education.

In a few cases, other corporate departments, employee benefits consultants, and outside vendors perform some education or communication functions. Other corporate departments are most involved in distributing communications to participants (7%); distributing communications to non-participating employees (nearly 6%); and answering questions from non-participants (5%). Employee benefits consultants are most often engaged to answer participant questions (11%); answer non-participant questions (10%); and train the HR staff (10%). Plan sponsors use outside vendors most often for training HR staff (7%) and answering participant questions (5%). A few of the above functions are not performed by anyone at some companies, however that is rare. At about three percent of the surveyed companies it was indicated that no one provides HR training on the DC plan or conducts ongoing employee education meetings.

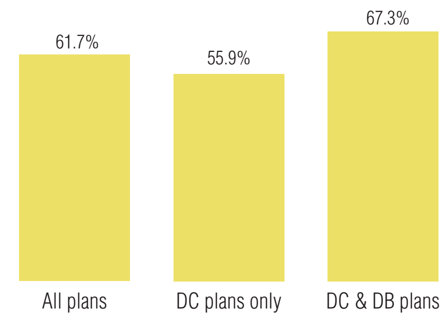
A majority of firms with more than 5,000 employees have over 20 locations with more than 100 employees each, causing substantial decentralization of the human resources function. Without the proper tools and processes in place, a decentralized HR function can be inefficient and costly to manage. A history of mergers and acquisitions and ensuing cultural differences can compound the situation to make the retirement plan function extremely challenging. Because retirement benefits tend to converge across locations, the retirement plan provider can have a major positive influence on workforce and company integration. Firms that experience substantial external growth will find it most beneficial to partner with their provider to build corporate identity and establish company-wide procedures.

Intranet Use

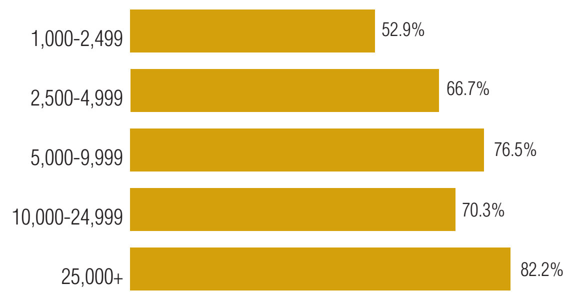
More than six in ten Defined Contribution plan sponsors post information about their DC retirement plans on the company's Intranet, but companies with both DC and DB plans are more likely to do so. This is logical, since serving two rather than one plan creates a greater need for communication. Those companies with more employees are more likely to leverage their Intranet for retirement benefit communication. Among employers with 25,000 or more employees, 82% post retirement plan information on the company's Intranet site while 53% of companies with 1,000 to 2,499 employees do the same.

Posting information on the Intranet makes it easier to provide information to employees at different locations. While Intranet use can play a major role in building corporate identity, it can also add to the amount of in-house staff required to support retirement benefits for firms that don't optimize the resources available from retirement plan providers.

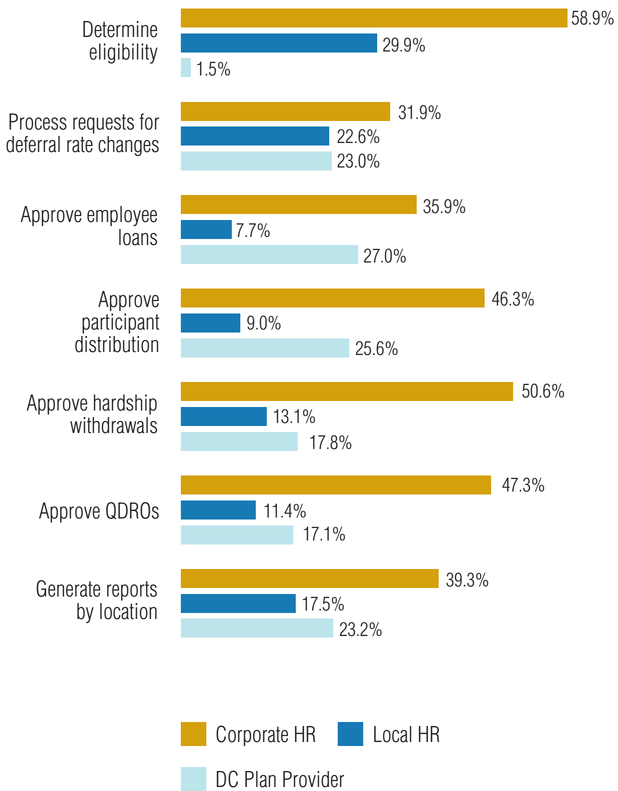
Availability of DC Plan Information on Company's Intranet Site by Plan Type



Availability of DC Plan Information on Company's Intranet Site by Employee Size Group



Primary Responsibility for Administrative Functions



Administration

Responsibility

For most organizations, the 401(k) plan provider plays a somewhat greater role in administrative functions than in the education and communication functions. Survey responses indicate that the primary responsibility regarding various administrative functions as it pertains to Defined Contribution plans lies with either the corporate or local human resources departments. The role of the corporate department is most predominant when it comes to approving various employee transactions such as loans (35.9%); distributions (46.3%); hardship withdrawals (50.6%) and QDROs (47.3%). However, the perception that the primary responsibility for these functions may actually lie with the Defined Contribution plan provider is higher when it comes to the administration of transactions than with the communication and education of the employees.

In a few cases other corporate departments, employee benefits consultants, and outside vendors perform some administrative functions. Other corporate departments (possibly the legal department) are most involved in approving QDROs (6.8%); hardship withdrawals (6.4%); and participant distributions (6.3%). Plan sponsors use outside vendors most often for processing requests for deferral rate changes (8.9%) and approving employee loans (8.0%).

Staffing

Human Resources

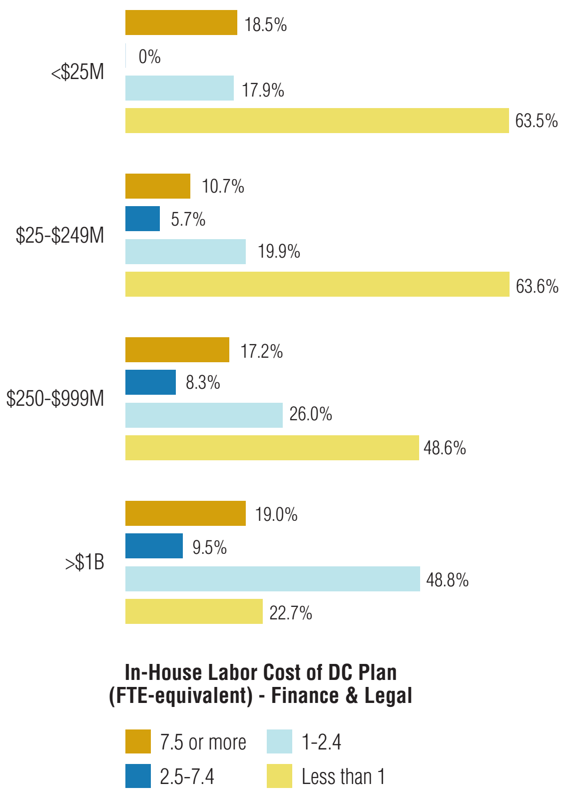
Large corporate employers dedicate substantial in-house staff resources to the administration of their retirement plans. The staff resources dedicated to the administration of Defined Contribution plans—predominantly 401(k) plans—grow with plan assets. Some 38% of employers with Defined Contribution plans under $25 million dedicate the equivalent of less than one full-time human resources employee to this function, but the largest plans—those with assets exceeding $1 billion—dedicate substantially more people to administering their plan. More than 39% say the equivalent of 7.5 full-time human resources employees work on administering their plan. This often happens because these companies have many locations, each with one or two human resources staff members. As these companies grow in employees or in revenues, the workload increases on the human resources staff with little likelihood of more HR staff being hired. This finding demonstrates that economies of scale in the human resources administration of Defined Contribution plans are probably few and far between.

Accounting, Finance, and Legal Staff Involved In Plan Administration

Besides human resources, the accounting, finance and legal departments are most involved in DC plan administration. In four out of five cases (80%) the accounting department is active in plan administration. Accounting is more active in DC plan administration when the company only has a DC plan (87%). The information technology, legal, and tax departments are all more likely to be involved in jumbo companies with 25,000 or more employees.

Plan Sponsor Internal Departments Involved In DC Plan Administration	Total	Employers Offering Stand-Alone DC Plan	Employers Offering Both DC & DB Plans
Accouting/Payroll	80.1%	87.0%	74.0%
Finance/Investments	52.8	44.5	60.0
Legal	44.7	30.1	57.5
Tax	25.3	18.2	31.5
Information Technology	16.7	11.1	21.6
Marketing Research	3.8	2.9	4.5
Marketing Communications	3.1	0.3	5.5
Other	5.6	4.4	6.6

Pressure on Finance & Legal Staff Not as High as HR but Growing with Size



Defined Contribution plans, other than the largest ones, place relatively little staffing pressure on departments other than human resources. While staffing needs generally increase with size, even the largest plans dedicate relatively few finance and legal staff to plan administration. These staff members typically handle such functions as payroll integration, investment reviews, contribution flows, and plan audits. Some economies of scale are possible in these areas, because the payroll function can generally be centralized to some degree and the number of investment options to monitor does not increase proportionally with plan size.

The more employees, the more the plan assets increase, and the more the work increases. But the financial and legal departments do not feel the same pressure as the human resources staff since their involvement is not as frequent. Finance often handles payroll integration, investment reviews, plan audits, and accounting functions. The demands of these functions do not grow as substantially as the functions performed by human resources. The costs and work are more fixed. Increasing employee size or the number of locations does not significantly increase the involvement of the finance and legal departments.

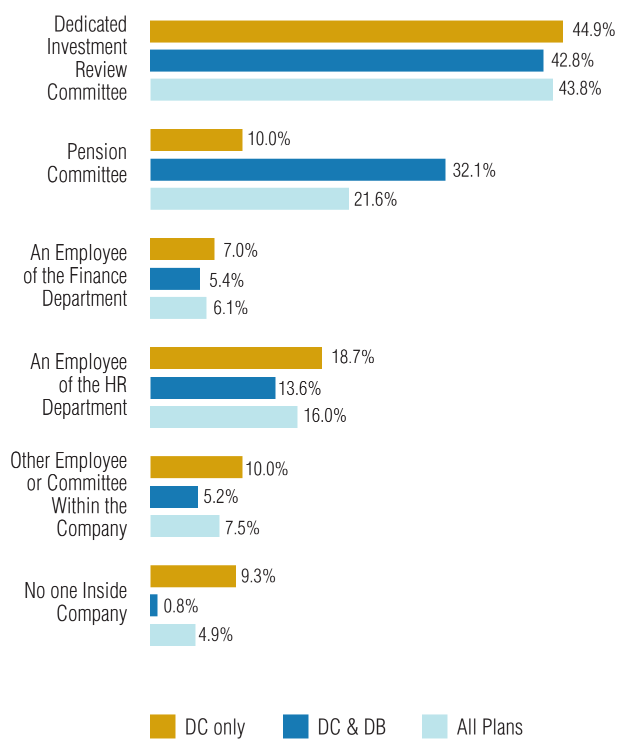
Plan Sponsor Internal Department	1,000-2,499	2,500-4,999	5,000-9,999	10,000-24,999	25,000+
Accouting/Payroll	85.1%	68.0%	78.8%	76.5%	85.7%
Finance/Investments	54.5	44.0	57.6	52.9	59.5
Legal	36.6	56.0	45.5	50.0	66.7
Tax	20.9	24.0	33.3	23.5	52.4
Information Technology	14.2	20.0	12.1	20.6	31.0
Marketing Research	4.5	_	6.1	5.9	4.8
Marketing Communications	2.2	_	9.1	2.9	9.5
Other	5.2	8.0	3.0	5.9	4.8

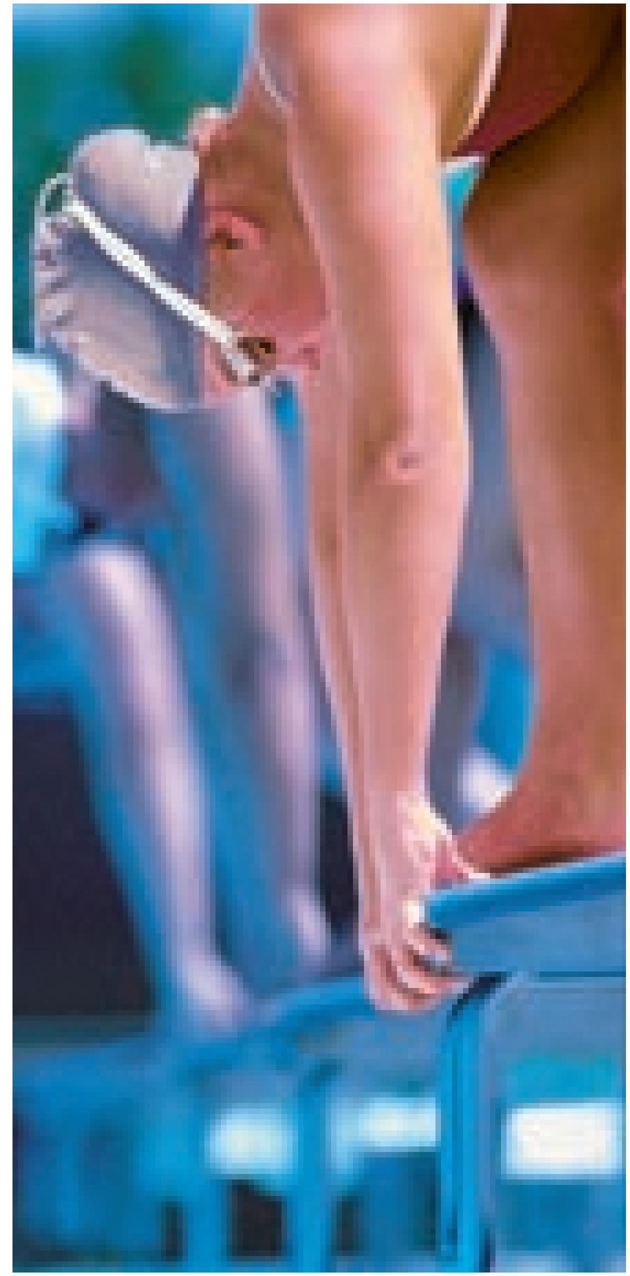
Monitoring Investment Managers

Today's investment climate makes the monitoring of investment managers more important than ever. Across companies, different departments and committees are responsible for this function. The largest percentages of plan sponsors use a dedicated investment review committee (43.8%). About half as many companies monitor investment managers with a pension committee (21.6%) while 16% of the surveyed companies assign HR employees to this function.

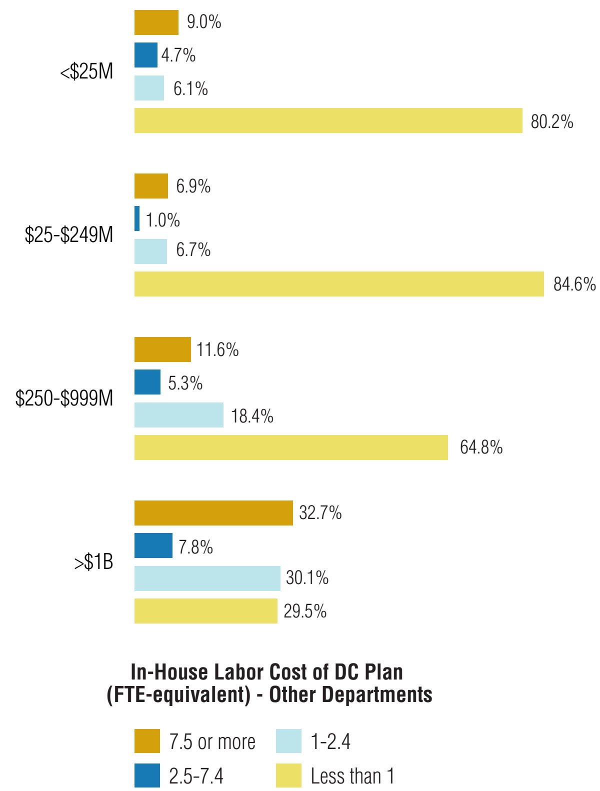
A pension committee is much more likely to be responsible for monitoring investment managers when the company has both a DB and a DC plan. When only a Defined Contribution plan exists, approximately 10% of companies use a pension committee to monitor investment managers. When both a Defined Contribution plan and a Defined Benefit plan exist, the percentage of companies that use a pension committee increases more than threefold to 32%.

Methods of Monitoring Investment Managers





Major Involvement from Other Departments Among 401(k) Plans Over $1 Billion



Other Departments

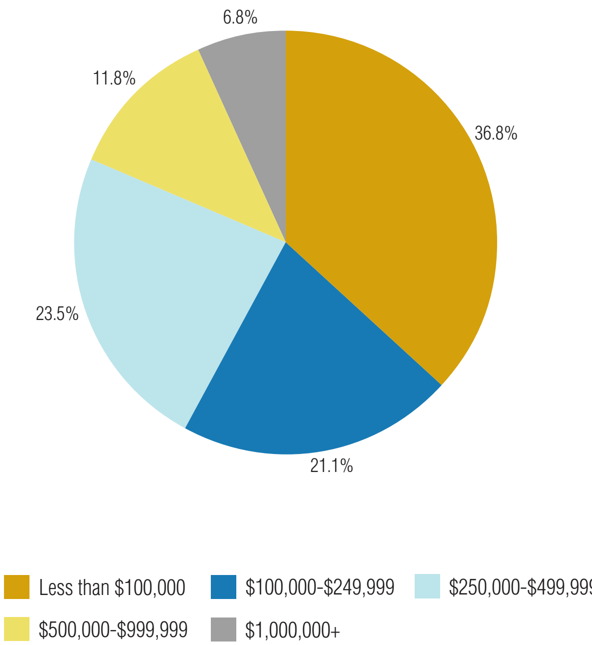
Other departments that might be involved in 401(k) plans with $1 billion or more in assets include the marketing and the information technology departments. Marketing often supports the development of employee communications on the retirement plan and information technology (IT) frequently facilitates the creation of the company's Intranet content and infrastructure. IT staff may also be involved in systems integration with the retirement plan provider or the online advice provider.

Costs

External Costs

Most plan sponsors pay less than $250,000 in external costs for their DC plans. As expected, companies with fewer employees pay less than those with 25,000 or more employees. Overall, 36.8% of companies pay less than $100,000 in external costs. In addition, 21.1% of companies pay $100,000-$249,999; while 23.5% pay $250,000-$499,999. Very few companies pay more than that: 11.8% pay $500,000-$999,999 and 6.8% pay $1,000,000 or more in external costs. However, external DC plan costs are much higher for the largest companies (25,000 or more employees). About half, 51% of these jumbo companies pay $1,000,000 or more.

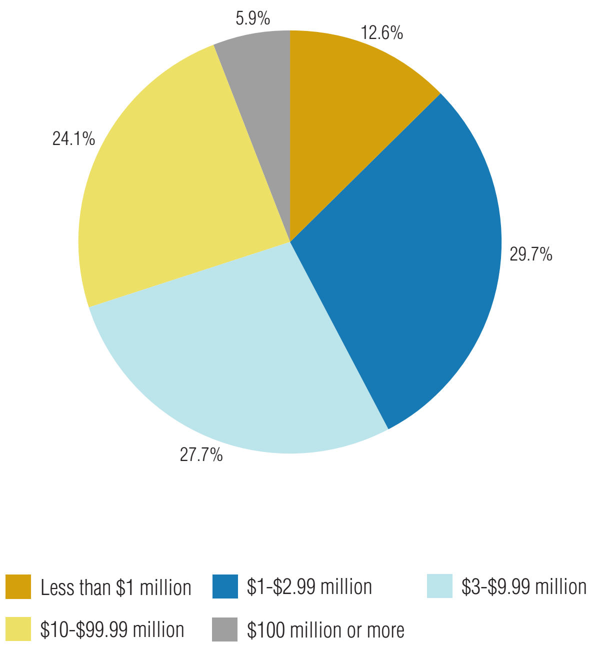
External Costs of DC Plans



Employee Size Group

DC Plan External Costs	1,000-2,499	2,500-4,999	5,000-9,999	10,000-24,999	25,000+
Less than $100,000	45.0%	35.7%	22.2%	18.9%	11.1%
$100,000 - $249,000	22.5	14.3	30.6	32.4	6.7
$250,000 - $499,000	20.5	32.1	19.4	27.0	22.2
$500,000 - $999,999	11.9	10.7	16.7	8.1	8.9
$1,000,000+	–	7.1	11.1	13.5	51.1

DC Employer Contributions



Employer Contributions

The largest percentage of companies (29.7%) pay between $1,000,000 and $2,999,999 in employer contributions. Relatively few companies pay less than a million dollars (12.6%) or more than $99,999,999 (5.9%). For the most part, the size of the employer contribution increases with the number of employees. For example, approximately 36% of companies with 1,000 to 2,499 employees contributed $1,000,000 to $2,999,999, while 85% of companies with 25,000 or more employees contribute more, including about 38% that contribute at least $100,000,000.

DC versus Combination DC/DB Plan Costs

Employer contributions to the DC plan are higher for organizations offering both a Defined Contribution plan and a Defined Benefit plan. This is understandable since organizations with significantly larger numbers of employees are more likely to offer both plans. Among companies with only a DC plan, 47.4% contributed $3,000,000 or more but that number jumps to 66.4% for companies with both a DC and a DB plan.

	Employers Offering	
Employer Contributions to DC Plans	**Stand-Alone DC Plan**	**Both DC & DB Plans**
Less than $1 million	10.9%	13.9%
$1 - $2.99 million	41.7	19.7
$3 - $9.99 million	24.5	30.4
$10 - $99.99 million	20.4	27.3
$100 million or more	2.5	8.7

	Employee Size Group				
DC Plan Employer Contributions	**1,000-2,499**	**2,500-4,999**	**5,000-9,999**	**10,000-24,999**	**25,000+**
Less than $1 million	18.5%	3.8%	10.0%	6.7%	2.5%
$1 - $2.99 million	35.6	26.9	23.3	13.3	12.5
$3 - $9.99 million	25.2	38.5	26.7	26.7	12.5
$10 - $99.99 million	17.8	26.9	36.7	40.0	35.0
$100 million or more	3.0	3.8	3.4	13.3	37.5

Plan Assets

By Company Size

Not surprisingly, employers with 25,000 employees or more tend to have the largest Defined Benefit plans in terms of assets. More than half (52%) of the 25,000+ employee companies offering a Defined Benefit plan have at least $1 billion in plan assets while only 13% of the total number of surveyed companies do.

About one in five plan sponsors (18%) have assets between $25 and $49 million. The current status of Defined Benefit plans in each company size segment may be a driving factor.

		Employee Size Group				
Asset Size	**Total**	**1,000-2,499**	**2,500-4,999**	**5,000-9,999**	**10,000-24,999**	**25,000+**
Less than $25 million	11.6%	12.8%	7.1%	16.7%	12.0%	3.0%
$25 - $49 million	18.4	24.4	21.4	6.7	8.0	3.0
$50 - $99 million	13.5	19.8	0	13.3	12.0	6.1
$100 - $249 million	10.4	8.1	14.3	13.3	20.0	3.0
$250 - $499 million	22.1	16.3	42.9	23.3	20.0	9.1
$500 - $999 million	11.1	10.5	0	16.7	20.0	24.2
$1 billion+	12.9	8.1	14.3	10.0	8.0	51.5

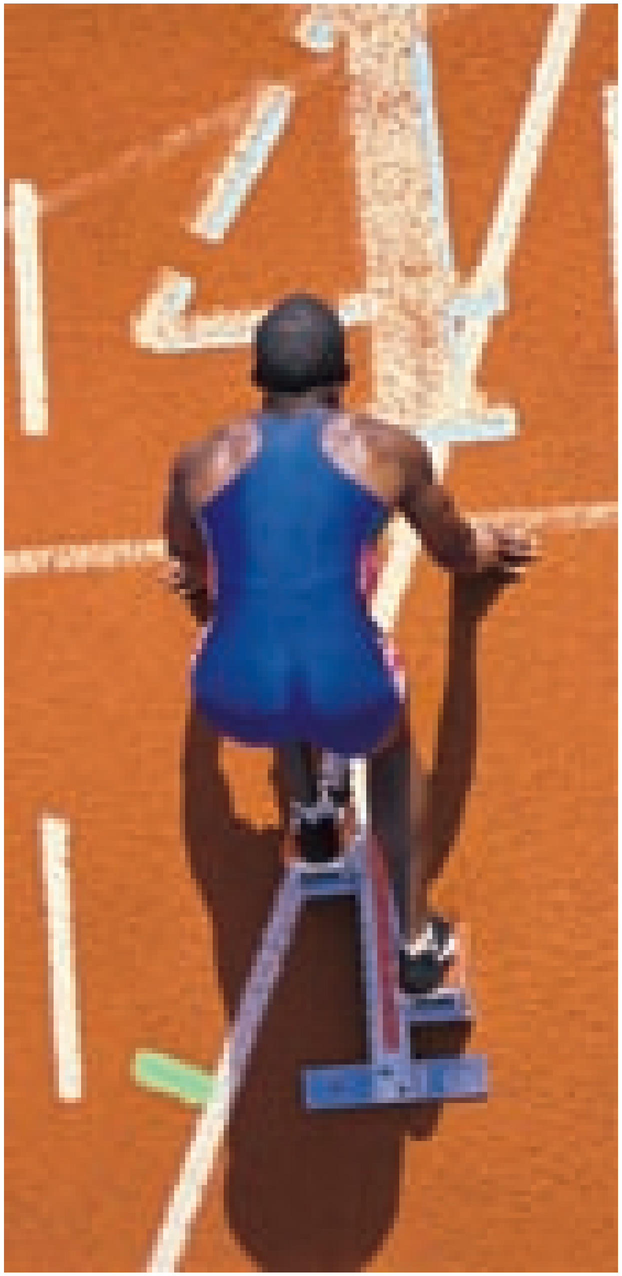
Communication and Education

Responsibility

For Defined Benefit plan sponsors, the corporate human resources department has primary responsibility for most communication and education about the plan. Corporate HR departments are most involved in providing new employee orientation (72%), creating employee communications (66%), and answering questions from employees about projected retirement benefits (59%).

Primary Responsibility for DB Plan Employee Communication and Education

Job Function	**Provide new employee orientation**	**Create employee communications**	**Provide online access to benefit projections**	**Answer questions from employees about projected retirement benefit**	**Train the HR staff on DB plan(s)**
Corporate HR	71.7%	66.1%	52.7%	59.0%	57.1%
Corporate Fin / Inv. Staff	5.2	0.7	0.9	2.3	4.0
Other Corporate Department	5.8	10.5	8.0	5.7	6.2
Employee Benefits Consultant	9.6	12.9	16.1	10.5	10.4
Actuarial Firm	5.0	0.7	1.1	5.8	2.3
Bank (Trust & Custody)	–	1.0	2.7	1.0	–
Investment Consultant	1.8	1.7	2.6	0.5	1.5
Investment Manager	1.5	_	0.3	1.7	0.2
Bundled DB Provider	2.8	5.1	9.8	8.2	10.2
Other Outside Vendor	1.0	1.2	5.8	5.3	8.1
Total	100.0%	100.0%	100.0%	100.0%	100.0%



Outside of the corporate HR staff, employee benefits consultants are most likely to have some involvement in these functions. At a small percentage of companies, employee benefits consultants have responsibility for providing access to benefit projections (16%), creating employee communications (13%), and answering employee questions about their projected retirement benefit (11%). These outside consultants are more involved in education and communication aspects of the plan than the finance/investment department or any other internal corporate department besides human resources.

Intranet Use

Most Defined Benefit plan sponsors (71%) make plan information available on the company Intranet. Many also make information available on a separate Internet site (55%) or by telephone through a voice response system (41%). Companies who sponsor only a DB plan almost always (95%) use a separate Internet site for their retirement plan. When plan sponsors support both a DB and a DC plan they are much more likely to include the retirement plan information on the company's Intranet. Nearly half the DB and DC plan companies offer employees a telephone voice response system while less than one in five companies which offer a DB plan only make this feature available. Using Intranets and voice response systems is a relatively new trend. Not long ago, many participants had to rely primarily on the printed annual plan statement and their human resources representatives for information about their Defined Benefit plan.

Regardless of the number of employees, the company's Intranet is a primary communication tool for the DB plan. Plan sponsors with 5,000-9,999 employees are most likely to use this communications medium (80%), while plan sponsors with 1,000 to 2,499 employees are the least likely (66%).

	Total	DB only	DB & DC
On an Internet site	55.0%	95.1%	45.5%
On the Company's Intranet	70.8	59.4	73.5
By telephone through a VRS	41.3	15.8	47.2

Companies Providing DB Plan Information on the Company's Intranet by Employee Size

1,000-2,499	2,500-4,999	5,000-9,999	10,000-24,999	25,000+
66.2%	72.7%	80.0%	67.9%	78.1%

Administration

Benefit Payment Services

Most frequently, the corporate human resources department has primary responsibility for benefit calculations at Defined Benefit companies. However, plan sponsors do vary greatly in where this responsibility resides. For example, human resources staff calculates projected retirement benefits requests for the employee at 47% of survey respondent companies. Therefore, this function is more likely to be performed outside HR than inside HR.

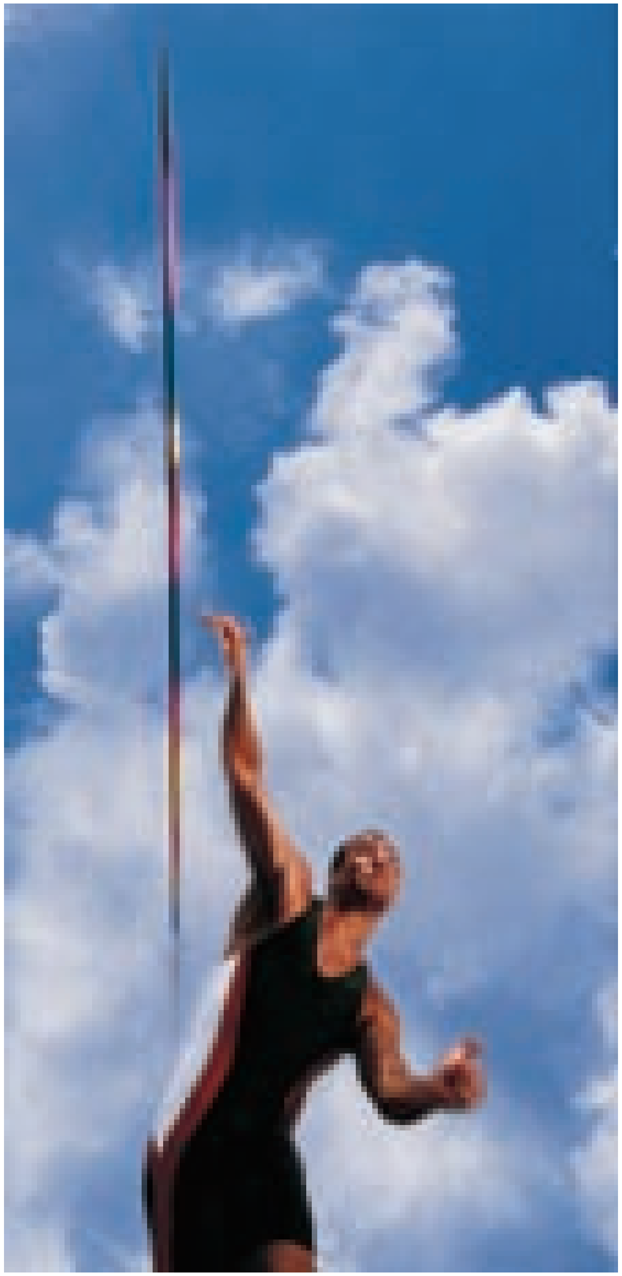
Job Function	Calculate projected retirement benefits upon request from employees	Calculate actual retirement benefit payout	Approve benefit payments
Corp. HR	47.1%	48.6%	58.4%
Corp. Fin / Inv. Staff	6.0	9.9	6.5
Other Corp. Dept.	3.9	3.7	10.6
EE Benefits Consultant	13.2	6.8	9.1
Actuarial Firm	10.4	10.5	4.1
Bank (Trust & Custody)	0.2	–	0.2
Inv. Consultant	1.0	1.0	0.2
Inv. Manager	0.2	2.3	1.7
Bundled DB Provider	11.4	11.6	4.5
Other Outside Vendor	6.6	5.6	4.6
Total	100.0%	100.0%	100.0%

Others entities mentioned as having the primary responsibility for various aspects of benefit calculations and payment services are actuarial firms and the bundled defined benefit provider. The most critical functions—approving benefit payments and calculating actual retirement benefit payouts—are those which corporate HR departments are most likely to perform.

Plan Management

As one might imagine, non-human resources departments are much more involved in plan management functions than they are in communication, education, or benefit payment services. Still, the corporate human resources department is the most likely home of most plan management functions. Most frequently, corporate HR proposes, considers, and evaluates plan design changes (51%) and establishes plan investment objectives and strategic asset allocation policy (42%). The finance or investment staff establishes plan investment objectives and strategic asset association policy at 31% of the survey companies. Finance or investment staff members are also involved in reviewing actuarial reports at 29% of the plan sponsors.

Corporate departments, other than those mentioned above, are most frequently called upon to prepare plan amendments (13%); propose, consider, and



evaluate plan design changes (11%), and prepare the Form 5500 reporting package (9%). Outside of the plan sponsor's internal resources, investment managers are asked to perform some functions, particularly managing strategic and tactical asset allocation (15%) and conducting asset/liability studies (10%). Other outside vendors sometimes prepare plan amendments (13%), prepare Form 5500 (13%), and conduct asset/liability studies (11%).

Job Function	Establish plan's investment objectives & strategic asset allocation policy	Manage strategic/ tactical asset allocation	Conduct Asset/ Liability studies	Review actuarial reports	Prepare Form 5500 reporting package	Propose, consider & evaluate plan design changes	Prepare plan amendments
Corp. HR	41.8%	28.2%	25.1%	34.2%	38.3%	50.8%	34.6%
Corp. Fin / Inv. Staff	31.3	25.4	19.5	29.2	21.5	13.2	10.0
Other Corp. Dept.	8.0	8.1	6.7	8.8	8.9	10.9	13.4
EE Benefits Consultant	3.4	8.6	7.3	6.0	6.1	5.3	9.2
Actuarial Firm	–	0.5	10.1	8.4	8.9	6.8	4.3
Bank (Trust & Custody)	0.7	0.8	1.7	–	–	2.2	–
Inv. Consultant	0.2	2.0	2.5	3.2	1.0	0.7	0.7
Inv. Manager	3.3	15.3	10.3	2.5	0.2	2.8	4.6
Bundled DB Provider	5.0	6.9	5.6	0.8	5.5	4.0	9.8
Other Outside Vendor	6.2	4.2	11.1	6.8	12.6	3.3	13.2
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Outside Vendors

Many Defined Benefit plan sponsors use multiple vendors to administer their plan. The number of vendors used typically increases with the plan's asset size.

Generally, Defined Benefit plan sponsors use two or more outside vendors to support their plan. Less than 17% use one or none. More than one in three (31%) use five or more outside vendors. Publicly-traded companies are slightly more likely to use four or more vendors. They're also more likely than private companies to use just one or no vendors (19% versus 14%).

Monitoring multiple vendor relationships can be very costly. Plan sponsors often find it challenging to coordinate and integrate the work of actuarial firms, investment managers, investment consultants, and benefit payment service providers. When quality can be maintained, reducing the number of vendors can save time and money. Among DB plan sponsors with more than $500 million in assets, 40% use four or more vendors to administer the plan.

Staffing

Departments Involved

At nearly all companies (89%), the human resources department is involved in the administration of the Defined Benefit plan. Other departments also play a major role in the administration of the DB plan: finance/investments (56%), legal (49%), and accounting/payroll (48%). Generally, as plans cover more employees, additional departments become involved in DB plan administration. For example, the tax department is twice as likely to be involved at companies with 25,000+ employees as it is with companies having 1,000 to 2,499 employees.

The involvement of the information technology department jumps once a company reaches the 10,000 employee mark.

DB versus Combination DB/DC Plans

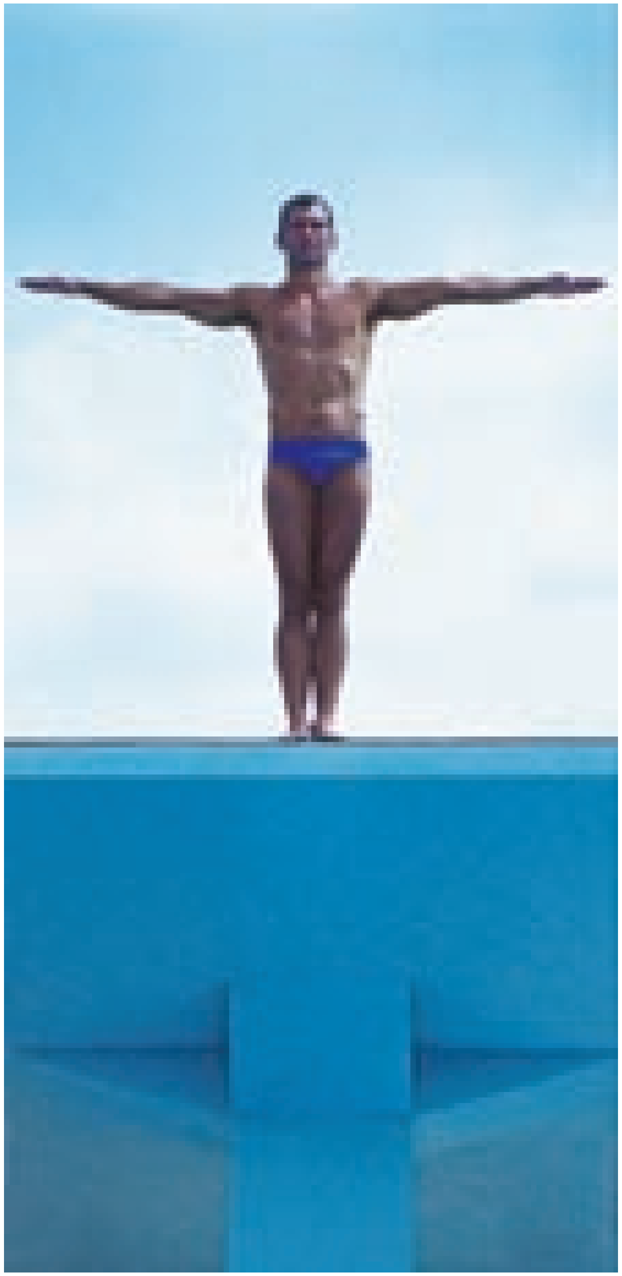
As expected, plan sponsors with both a Defined Benefit and Defined Contribution plan are much more likely to involve additional departments in DB plan management than sponsors offering only a DB plan. For example, the accounting/payroll department is involved for more than one-half (54%) of sponsors that offer both plan types, but in only one in five companies (19%) that offer DB only. At companies with both DB and DC plans,

Departments Involved in DB Plan Administration

		Employers Offering	
Department	All Employers Offering a DB Plan	Stand-Alone DB Plan	Both DC & DB Plans
Human Resources	88.6%	73.8%	91.2%
Accounting/Payroll	48.4	19.3	53.6
Finance/Investments	56.3	39.1	59.4
Tax	28.2	21.5	29.4
Legal	49.1	39.4	50.9
Information Technology	15.3	24.3	13.7
Marketing Communications	3.9	12.9	2.3
Marketing Research	1.0	0	1.1
Other	2.2	0	2.6

Departments Involved in DB Plan Administration by Employee Size

		Employee Size Group				
Department	All Employers Offering a DB Plan	1,000-2,499	2,500-4,999	5,000-9,999	10,000-24,999	25,000+
Human Resources	88.6%	84.9%	92.9%	93.9%	92.9%	91.2%
Accounting/Payroll	48.4	41.9	50.0	63.3	50.0	58.8
Finance/Investments	56.3	61.3	42.9	53.3	50.0	64.7
Tax	28.2	23.6	28.6	30.0	28.6	55.9
Legal	49.1	52.7	50.0	36.7	42.9	52.9
Information Technology	15.3	17.2	7.1	10.0	21.4	26.5
Marketing Communications	3.9	3.2	0	10.0	3.6	5.9
Marketing Research	1.0	0	0	3.3	3.6	2.9
Other	2.2	0	7.1	3.3	7.1	0



the legal, finance/investment, and accounting/payroll departments are all more likely than not to be involved in plan administration; whereas a smaller percentage of those departments is typically involved in companies offering only a DB plan.

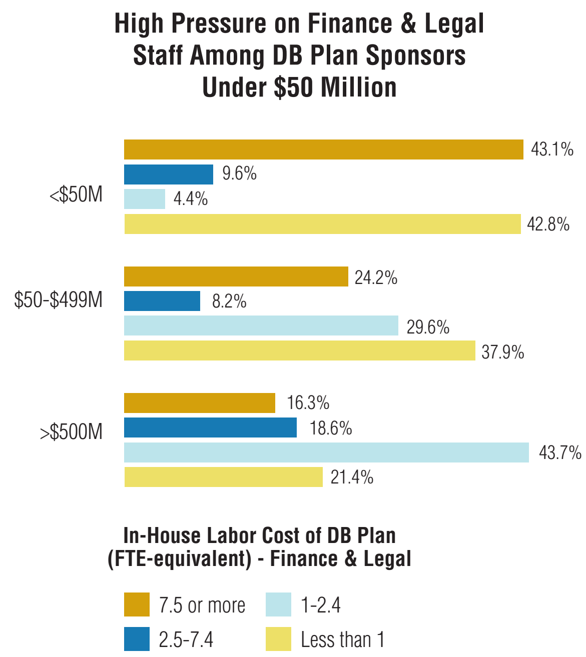
Human Resources

The in-house staff needed to support Defined Benefit plans varies dramatically by plan size, and not necessarily in ways that one might expect. In 2003, among the smallest Defined Benefit plans—those with $50 million or less in assets—a majority of plans dedicated seven and a half or more human resources employees to DB plan administration. Many of these small plans handle time-consuming functions, such as calculating projected retirement benefits upon request by employees and answering beneficiary questions in-house. A minority of the plans under $50 million dedicate the equivalent of less than one full-time human resources employee to Defined Benefit plan administration. Above $50 million, as more functions are outsourced and firms seek to optimize the relationship with their providers, fewer companies dedicate seven and one-half or more full-time HR employees to Defined Benefit plan administration.

Staffing requirements for Defined Benefit plans were unusually high in 2003; the burden of administering Defined Benefit plans with less than $50 million in assets explains the appetite for bundling services in this size group documented by studies completed by Chatham Partners and Spectrem Research in recent years. Should it continue in 2004 and beyond, this characteristic of Defined Benefit plans would place small plan sponsors at a competitive disadvantage. Finding a solution that helps shift the resources dedicated to plan administration to a more productive use is a priority. One solution the largest Defined Benefit plan sponsors have implemented is bundling Defined Benefit plan administration, investment services, and/or actuarial services with a single vendor. Another successful move for some has been consolidating the company's Defined Benefit and Defined Contribution vendor relationships.

Finance and Legal

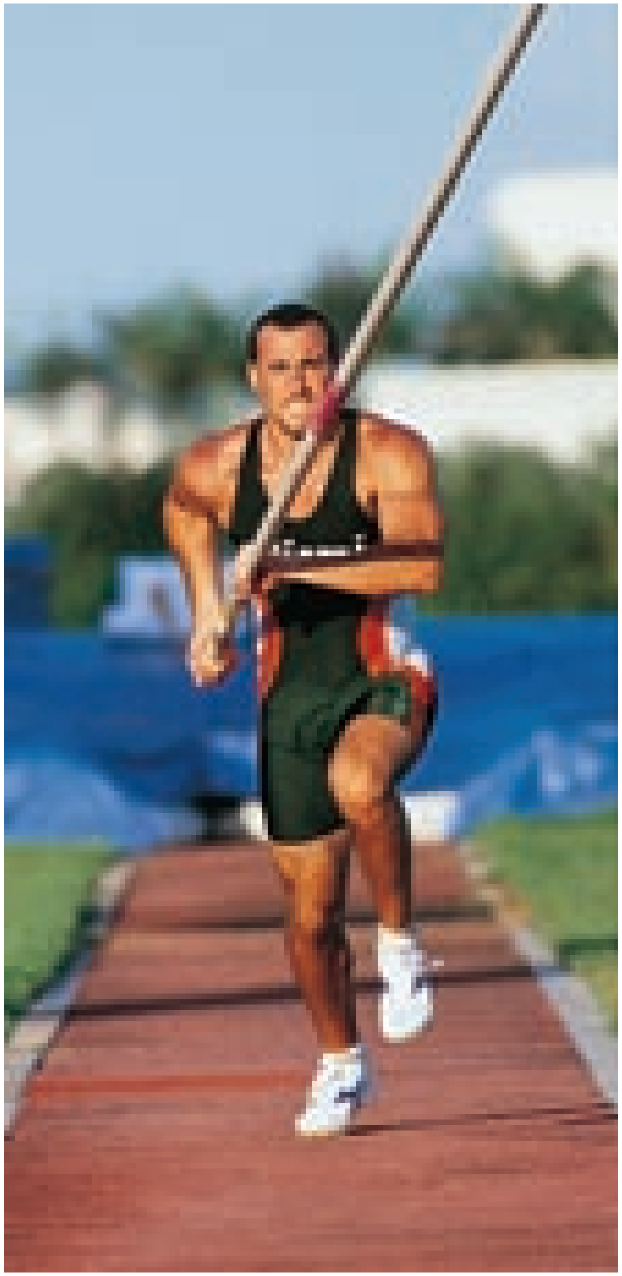
Staffing challenges of smaller Defined Benefit plans affect the plan sponsor's finance and legal staff to the same extent as they impact the human resources staff. Companies with DB plans typically require much more finance and legal department involvement in the administration of the plan than DC plan companies do. In many firms, finance is the most well equipped department to address benefit payments, investment policy decisions, and reviews of actuarial valuation reports. Legal



departments are inevitably involved in issues concerning mergers and acquisitions. This finding implies that optimizing usage of the services that plan providers make available is even more critical at companies with a Defined Benefit plan than it is with companies offering a Defined Contribution plan.

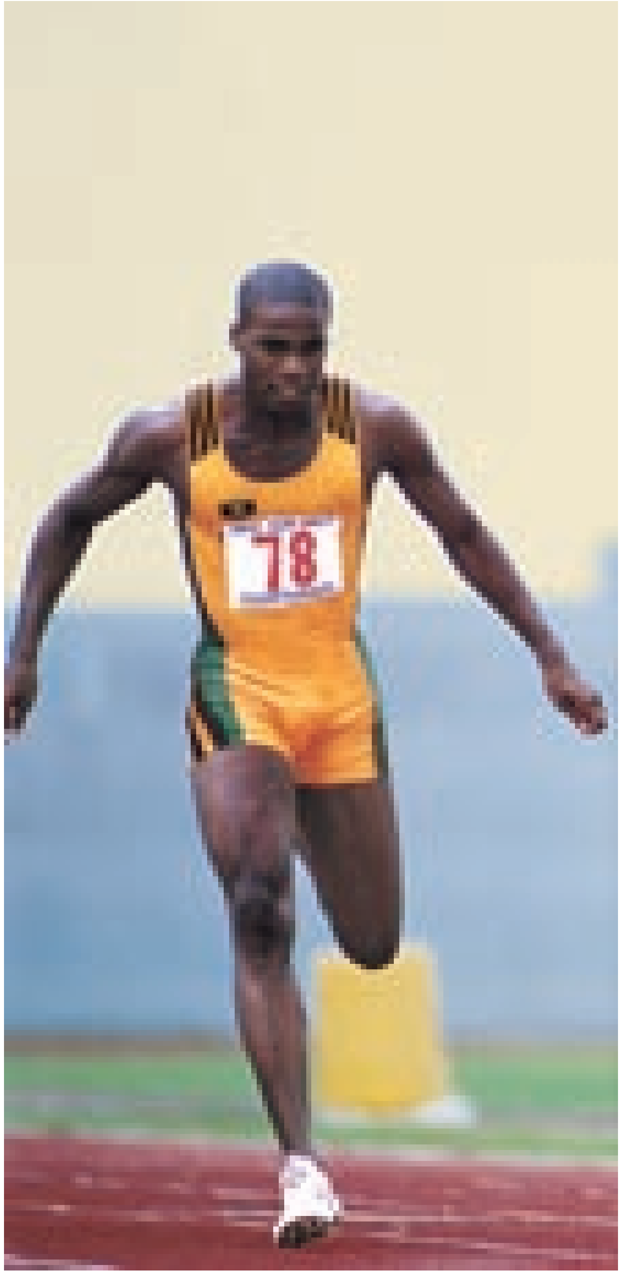
Selecting and Monitoring Investment Managers

Selecting and monitoring investment managers is one of the most important fiduciary responsibilities of a Defined Benefit plan administrator. Not all companies handle this function in the same manner. As a general rule, the survey demonstrates that Defined Benefit plan sponsors with the greatest number of employees are more likely to rely on a



Responsibility for Selecting and Monitoring Defined Benefit Plan Investment Managers

	All Employers Offering a DB Plan	Employee Size Group: 1,000-2,499	2,500-4,999	5,000-9,999	10,000-24,999	25,000+
Dedicated Investment Review Committee	42.5%	41.6%	35.7%	44.8%	57.5%	48.5%
Pension Committee	42.4	46.1	42.9	31.0	42.3	39.4
An Employee of the Finance Department	20.8	31.5	7.1	10.3	7.7	12.1
An Employee of the HR Department	20.4	23.6	14.3	24.1	3.8	18.2
Other Employee or Committee Within the Company	8.6	7.9	14.3	0	15.4	12.1
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%



dedicated investment review committee, while smaller companies are slightly more likely to use a pension committee for this function. Nearly 58% of companies with 10,000 to 24,999 employees have a dedicated investment review committee while only 42% of 1,000 to 2,499 employees have one. Pension committees exist at 46% of the companies which have 2,499 employees or less—more often than in any of the larger-size companies. A surprisingly high number of firms rely on a single employee of the HR or finance department to select and monitor investment managers.

Plan sponsors that offer a stand-alone Defined Benefit plan are much more likely to use an employee of the finance department (52%) or HR department (43%) compared with sponsors that offer both a DB and a DC plan. Sponsors which offer both plan types more frequently use either a dedicated investment review committee (45%) or a pension committee (45%). While it is relatively common for a firm that offers only a Defined Benefit plan to assign the responsibility for selecting and monitoring the plan's investment managers to a single person, this situation is a rarity at companies offering both a DB and a DC plan.

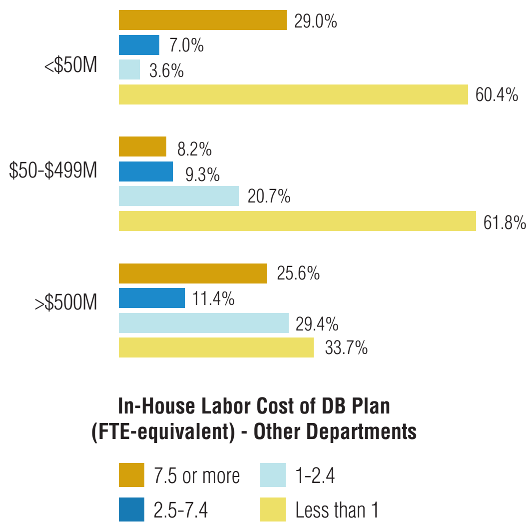
Departments Other than HR, Finance and Legal

Generally, as plans cover more employees, additional departments become involved in DB plan administration. For example, the tax department is twice as likely to be involved at companies with 25,000+ employees as it is with companies having 1,000 to 2,499 employees.

Responsibility for Selecting and Monitoring Defined Benefit Plan Investment Managers

		Employers Offering	
	All Employers Offering a DB Plan	Stand-Alone DB Plan	Both DC & DB Plans
Dedicated Investment Review Committee	42.5%	30.0%	44.8%
Pension Committee	42.4	30.6	44.6
An Employee of the Finance Department	20.8	52.3	15.0
An Employee of the HR Department	20.4	42.8	16.2
Other Employee or Committee within the Company	8.6	29.5	4.8
Total	100.0%	100.0%	100.0%

Staffing Pressure in Departments Other than HR, Finance & Legal above $500 Million



The payroll/accounting department plays a major role across size bands, but the involvement of the information technology department jumps significantly once a company reaches the 10,000 employee mark. Among plans with $500 million or more in assets, the survey finds that two-thirds of employers estimate that departments other than HR, finance and legal spend at least one full-time employee equivalent to support the Defined Benefit plan.

Costs

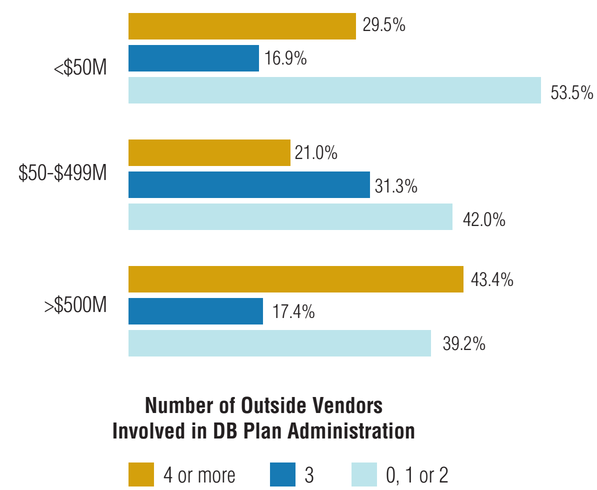
External Costs

Much has been written about the trend toward bundling of Defined Benefit plan services in recent years. As plans mature and more corporate employers freeze their traditional Defined Benefit plans, consolidating vendor relationships makes good economic sense. Ultimately, consolidating functions such as benefit calculations, participant and retiree communications, benefit payment, asset/liability modeling, investment consulting, and Web services with a full-service provider can save in-house staff both time and vendor cost.

Survey results reveal that although the majority of plan sponsors with less than $50 million in assets have already consolidated relationships with one or two providers, many larger plans, particularly those with $500 million or more in assets, have yet to do the same. Indeed, four in ten Defined Benefit plan sponsors with more than half a billion dollars in assets still use the services of at least four vendors to administer their plan.

Using multiple outside vendors can have a substantial impact on the cost of Defined Benefit plan administration. Honing in on employers who offer both a Defined Contribution and a Defined

Majority of DB Plan Sponsors Over $500 Million Using Three or More Vendors for Administration Alone



Direct External Cost of Administering Retirement Plans

	Employers offering both DC & DB Plans	
	DC Plan Administration Cost	DB Plan Administration Cost
Less than $100,000	23.7%	21.2%
$100,000 - $249,999	24.0	28.2
$250,000 - $499,999	25.7	22.8
$500,000 - $999,999	16.0	14.9
$1,000,000 or more	10.6	12.8
Total	100.0%	100.0%

Benefit plan to their workforce, we find little difference in external administrative cost between the two types of plans, an amazing finding if we consider the in-house labor cost involved in the administration of Defined Benefit plans.

About 72% of plan sponsors that offer both DB and DC plans had an annual direct external administration cost of less than $500,000 for each retirement plan in 2003. In fact, nearly half of these dual plan sponsors spent less than $250,000 annually in direct external administration costs per plan. Less than 13% of Defined Benefit plans and less than 11% of Defined Contribution plans require $1,000,000 or more.

Employer Contribution by Company Size

Companies surveyed made substantial contributions to their Defined Benefit plans in 2003. The amount of contributions vary by employer size, and nearly 85% of the surveyed companies with 25,000 or more employees made $10 million or more in employer contributions into the Defined Benefit plan in 2003. The cost of employer contributions to the Defined Benefit plan dwarfs all other plan related expenses in 2003. Employer contributions in 2003 were larger than in recent years due to difficult market conditions, including both poor equity returns and low interest rates, but there is no guarantee that these market conditions will not return in the future. What is most important to remember about Defined Benefit plans is that the cost of maintaining them is open-ended.

DB Plan Employer Contributions	All Employers Offering a Defined Benefit Plan	Employee Size Group				
		1,000-2,499	2,500-4,999	5,000-9,999	10,000-24,999	25,000+
Less than $1 million	17.9%	27.4%	7.1%	20.0%	0.0%	0.0%
$1 - 2.99 million	19.6	21.0	21.4	16.0	27.8	7.7
$3 - 9.99 million	23.8	22.6	28.6	28.0	22.2	7.7
$10 - 99.99 million	30.6	22.6	35.7	36.0	33.3	50.0
$100 million or more	8.2	6.4	7.1	0	16.7	34.6
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Employer Contributions: Public versus Private Companies

By a wide margin, publicly-traded firms are more likely to have higher employer contributions to Defined Benefit plans than privately-owned companies. While more than 62% of public firms made $10 million or more in employer contributions, only about 20% of private did the same. Private companies are also more than twice as likely to contribute less than $1 million. The difference goes beyond what the relative employee size of privately-owned and publicly-traded firms might explain.

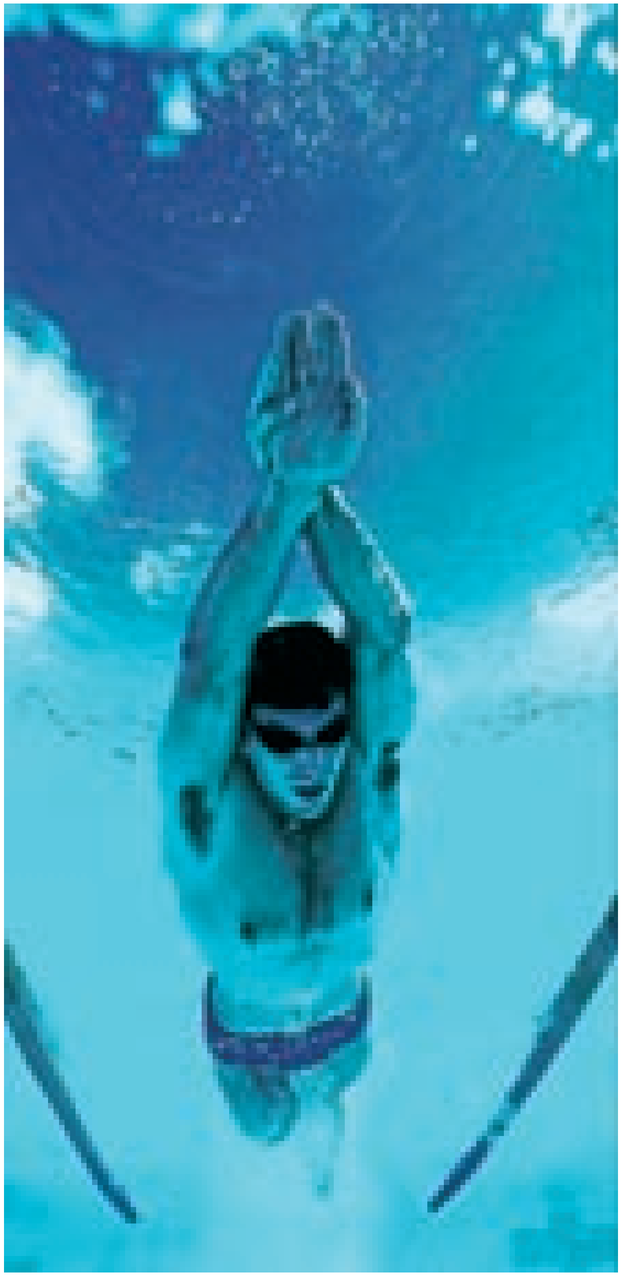
Current and Future Direction

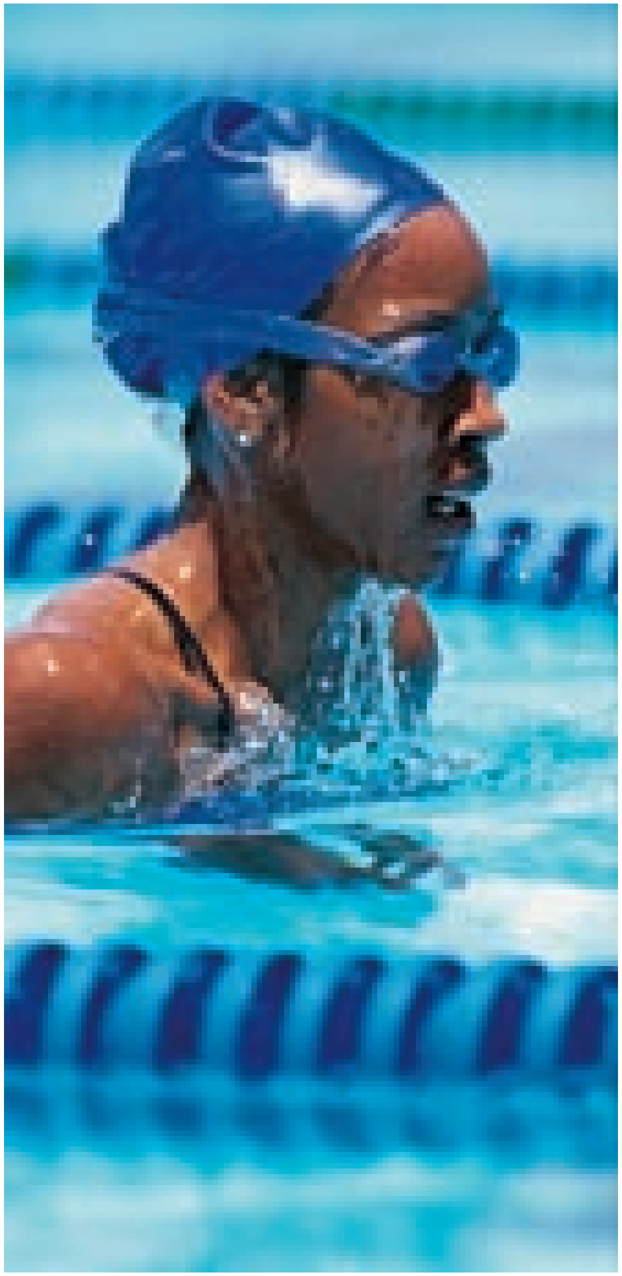
Current

Faced with the prospect of making substantial contributions to their Defined Benefit plans, large corporations need to make strategic decisions regarding the future of their retirement package. Many sponsors offering both DB and DC plans considered cost efficiency moves within the last year; many have sought to move away from a traditional DB plan. About 23% of these firms have considered bundling Defined Benefit plan services with a single provider. Some 16% contemplated freezing the plan. Seventeen percent considered converting to a cash balance plan while 13%

DB Plan Actions Considered Over the Past 12 months

Actions Considered	All Employers Offering a DB Plan	Employers Offering: Stand-Alone DB Plan	Employers Offering: Both DC & DB Plans
Bundle DB plan services with a single provider	21.9%	18.1%	22.5%
Terminate the DB plan	13.0	3.0	14.7
Freeze the DB plan	18.0	30.0	15.9
Reduce plan benefits	20.1	18.1	20.4
Move from traditional DB plan to a Cash Balance Plan	16.4	14.8	16.7
Move from traditional DB plan to a Pension Equity Plan	11.3	1.5	13.0
Make other plan design changes	17.8	1.5	20.7





discussed moving to a pension equity plan. About one in five has considered a reduction in plan benefits in the last 12 months.

Similar trends affect the small number of plan sponsors that offer only a Defined Benefit plan to their employees. Three in ten plan sponsors that offer only a DB plan have considered freezing their plan in the past 12 months. Nearly one in five (18%) have recently considered bundling the plan and approximately 18% have considered reducing benefits. These potential moves may not be surprising in the wake of the current turbulent economic times, but the long term effects are profound. Projections recently published by the Department of Labor show that labor force participation of those age 65 and older started increasing between 1992 and 2002 for the first time since 1890. Declining coverage from Social Security and employer-provided pensions are encouraging phased retirement and retirement delays.

Future

Many Defined Benefit plan sponsors are considering making changes in the foreseeable future. Plan sponsors with both a Defined Benefit and a Defined Contribution plan are most likely to reduce plan benefits (22%) or to make changes other than those listed in the survey (35%). Converting the traditional DB plan to a cash balance plan or a pension equity plan are popular considerations (respectively 15% and 11%).

Among the small group of employers that offer only a Defined Benefit plan, more than one-quarter (27%) are considering moving from a traditional

Potential Changes to be Made in the Foreseeable Future

Actions Considered	All Employers Offering a DB Plan	Employers Offering: Stand-Alone DB Plan	Employers Offering: Both DC & DB Plans
Bundle DB plan services with a single provider	17.0%	19.6%	16.5%
Terminate the DB plan	11.3	20.0	9.8
Freeze the DB plan	10.8	1.5	12.5
Reduce plan benefits	19.6	4.9	22.2
Move from traditional DB plan to a Cash Balance Plan	17.0	26.5	15.3
Move from traditional DB plan to a Pension Equity Plan	10.1	3.4	11.2
Make other plan design changes	31.7	11.4	35.3

plan to a cash balance plan—the most popular consideration in this group.

Methodology

Survey Design and Data Collection

Diversified Investment Advisors collected the data for this survey in early 2004 from a panel of employers with 1,000 employees or more. The survey was administered by LIMRA International and FGI Research, Inc. Respondents are individuals responsible for the administration of the employee benefits program of their firm. The sample was stratified by size group to over sample firms with 10,000 or more employees. Data presented in this report is weighted to represent the overall population of businesses with 1,000 or more employees. Of the responding firms, 192 offer a Defined Contribution plan (most commonly a 401(k) plan) and 132 offer a Defined Benefit plan. A total of 122 are publicly traded companies; 84 are privately-held. Most large plan sponsors surveyed, regardless of plan types offered, have between one and five distinct locations with more than 100 employees each. Over two-thirds of respondents with more than 25,000 employees have at least 20 locations with more than 100 employees each.

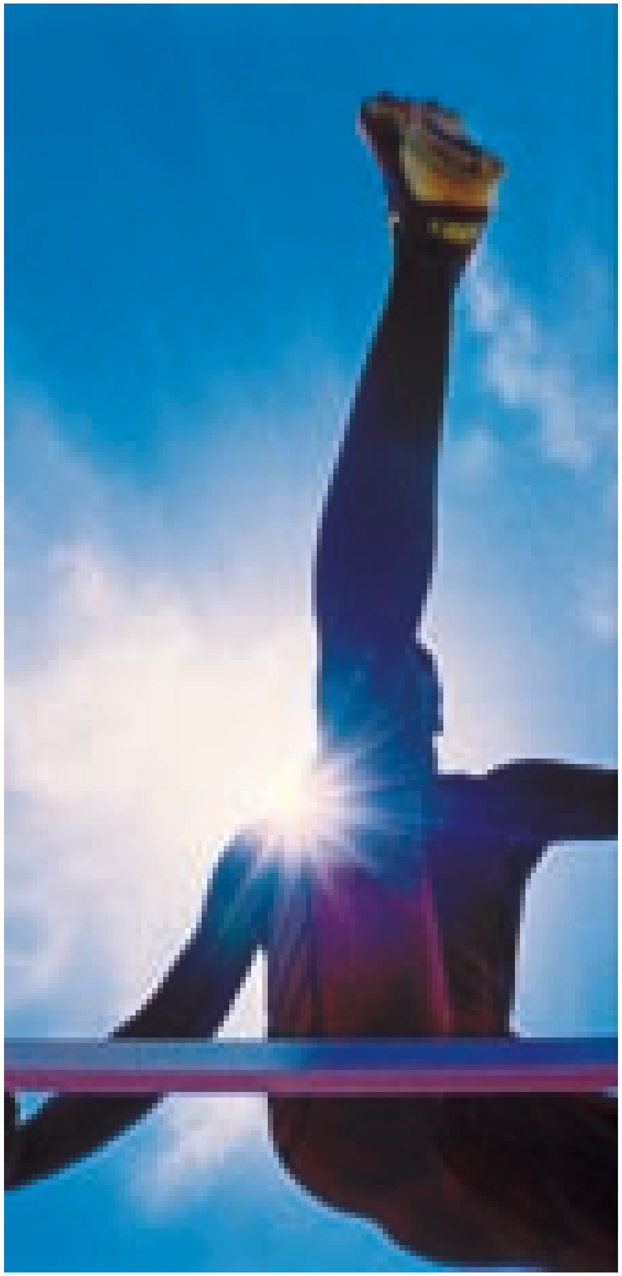


Table I – Number of Employees & Population of US Firms

Employer Size	Sample of Respondents	Population of US Firms/Weighted Survey Results
1,000 to 2,499	52	58%
2,500 to 4,999	28	20%
5,000 to 9,999	39	11%
10,000 or more	87	11%
Total	206	100%

Table II – Number of Employees by Plan Type

	Total	DB Only	DC Only	DB & DC
1,000 to 2,499	58.0%	82.7%	64.4%	46.9%
2,500 to 4,999	20.0	-	22.9	20.9
5,000 to 9,999	11.0	6.8	5.3	17.0
10,000 or more	11.0	5.9	7.4	15.2
Total	100.0%	100.0%	100.0%	100.0%

Table III – Number of Employees by Public vs. Private Ownership

Number of locations	Total	1,000-2,499	2,500-4,999	5,000-9,999	10,000-24,999	25,000+
Public	46.9%	42.0%	39.3%	55.3%	75.6%	80.9%
Private	53.1	58.0	60.7	44.7	24.4	19.1
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Table IV – Total Asset Size of DC Plans by Number of Employees

		Employee Size Group				
	Total	1,000-2,499	2,500-4,999	5,000-9,999	10,000-24,999	25,000+
Less than $25 million	23.0%	31.8%	10.7%	19.4%	14.3%	4.4%
$25 - $49 million	14.6	13.3	21.4	16.7	8.6	2.2
$50 - $99 million	9.5	10.6	10.7	8.3	2.9	2.2
$100 - $249 million	17.4	16.6	17.9	25.0	20.0	6.7
$250 - $499 million	16.5	16.6	17.9	11.1	20.0	17.8
$500 - $999 million	11.2	8.6	14.3	11.1	22.9	13.3
$1 billion or more	8.0	2.6	7.1	8.3	11.4	53.3
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Table V – Total Asset Size of Defined Benefit Plans by Number of Employees

Total	Total	Employee Size Group 1,000-2,499	2,500-4,999	5,000-9,999	10,000-24,999	25,000+
Less than $25 million	11.6%	12.8%	7.1%	16.7%	12.0%	3.0%
$25 - $49 million	18.4	24.4	21.4	6.7	8.0	3.0
$50 - $99 million	13.5	19.8	0	13.3	12.0	6.1
$100 - $249 million	10.4	8.1	14.3	13.3	20.0	3.0
$250 - $499 million	22.1	16.3	42.9	23.3	20.0	9.1
$500 - $999 million	11.1	10.5	0	16.7	20.0	24.2
$1 billion or more	12.9	8.1	14.3	10.0	8.0	51.5
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Table VI – Number of US Locations with 100+ Employees by Number of Employees

No. of Locations	Total	Employee Size Group 1,000-2,499	2,500-4,999	5,000-9,999	10,000-24,999	25,000+
1 - 5	52.1%	66.2%	53.5%	15.8%	12.5%	9.2%
6 - 10	19.8	20.8	21.4	21.1	12.5	6.8
11 - 20	11.3	7.3	17.9	13.2	20.0	15.9
More than 20	16.0	6.6	7.2	50.0	55.0	68.2
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Table VII – Number of Locations with One or More HR Representatives by Number of Employees

No. of Locations	Total	Employee Size Group 1,000-2,499	2,500-4,999	5,000-9,999	10,000-24,999	25,000+
1 - 25	86.9%	93.5%	96.0%	71.7%	57.9%	53.5%
More than 25	13.0	6.5	4.0	29.0	42.2	46.6

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